

# **USPS-FY20-9 ROADMAP TO FISCAL YEAR 2020 ANNUAL COMPLIANCE REPORT**

**Purpose:** The purpose of this roadmap is to help readers navigate the costs, revenues, prices, and service materials presented to the Postal Regulatory Commission (PRC) by the Postal Service as its FY 2020 Annual Compliance Report (ACR) in response to 39 U.S.C. § 3652.

Specifically, the roadmap briefly describes the purpose of each folder, the inputs to and outputs from that folder, and any changes in methodology associated with that folder. The intent is to allow the reader to understand the flow of information building to the summary data identified in the statute. The roadmap also includes a section responding to Commission Rule 3050.12 which covers data obsolescence.

**Predecessor:** The predecessor folder is USPS-FY19-9.

**Organization:** USPS-FY20-9 contains two pdf files – this Preface, and the Roadmap Document. This Preface includes two relatively short sections. The intent of the first Preface section is to provide a quick guide regarding the content and location of information provided in response to recent Commission directives. The second Preface section contains a convenient table that catalogues the petitions to consider changes in analytical principles filed by the Postal Service that are still pending or were filed after the filing of the 2019 ACR.

The Roadmap Document itself is organized into three relatively longer sections. Section I presents a brief description of each set of folder materials. As applicable, this description includes an indication of the sources of the inputs used and an indication of the downstream folder materials that make use of the outputs. Section II identifies any material changes in methodology incorporated into preparation of the associated data. Section III presents information responsive to Commission Rule 3050.12 on data obsolescence. For sections I and II, these materials are further divided into public and non-public groupings. Materials in the public version are labeled as “USPS-FY20-X.” Materials in the non-public version are labeled as “USPS-FY20-NPX.” The “NP” denotes non-public materials. This roadmap, however, includes folder descriptions and the methodological changes related to both public and non-public materials.

The Roadmap Document is not intended to replace the ACR folder prefaces. The prefaces contain detailed folder information not necessarily found in this document.

## **COMMISSION DIRECTIVES**

Each year, the Commission solicits new information to be submitted with the ACR. In some instances, these directives take the form of new rules incorporated into the Code of Federal Regulations. More frequently, they are included as part of the previous year's ACD, or perhaps stated in a separate Order issued as part of some other proceeding, such as a rate, mail classification, or rulemaking docket. For purposes of the FY 2020 ACR, presented here is an attempt to list these new requests comprehensively, indicate where the requests were stated, and further indicate where within the body of ACR material the responsive information has been submitted. In general, material submitted in previous years is not included in this list, but that material usually can be found in the same location where it was presented in any previous years.

Inbound letter post service performance reports, analysis, and forfeited sums, as described on page 61 of the FY 2019 ACD. This information is presented in USPS-FY20-NP30.

Third-party service performance results, as described in 39 C.F.R. § 3050.21(j)(2). This information is presented in USPS-FY20-NP30.

For EMS 2, workpapers for the calculation of Pay for Performance penalties, as described on page 7 of Order No. 5660 (August 28, 2020). This information is presented in USPS-FY20-NP30.

Updated Area-specific First-Class Mail service performance reports, as described on page 120 of the FY 2019 ACD. This information is presented in USPS-FY20-29.

First-Class Mail service performance data reports, as described on pages 120-121 of the FY 2019 ACD. This information is presented in USPS-FY20-29 and USPS-FY20-NP30.

Marketing Mail service performance data reports, as described on page 127 of the FY 2019 ACD. This information is presented in USPS-FY20-29.

Information regarding Periodicals service performance, as described on page 129 of the FY 2019 ACD. This information is presented in USPS-FY20-29.

Information regarding Package Services service performance, as described on page 133 of the FY 2019 ACD. This information is presented in USPS-FY20-29.

Information regarding Post Office Box service performance, as described on pages 135-136 of the FY 2019 ACD. This information is presented in USPS-FY20-29.

Information regarding suspended Post Offices, as described on page 144 of the FY 2019 ACD. This information is presented in Chapter III of the FY 2020 ACR and USPS-FY20-33.

Information regarding customer satisfaction for Market Dominant products, as described on page 154 of the FY 2019 ACD. This information is presented in Chapter III of the FY 2020 ACR and USPS-FY20-38.

Offshore special study on remote delivery, as required every other year by 39 C.F.R. § 3055.7, was presented in USPS-FY19-29 last year, and thus is not required this year.

Cost and service performance information for flat-shaped products, described in 39 C.F.R. § 3050.50. This information will be presented in USPS-FY20-45 and USPS-FY20-NP31.

For the Inbound Letter Post product, revenue, volume, attributable cost, and contribution data by Universal Postal Union country group and by shape, as described in 39 C.F.R. § 3050.21(I). This information is presented in USPS-FY20-41.

Information regarding the reported increase in unit costs of SCF Marketing Parcels in FY 2019, as described on page 21 of the FY 2019 ACD. This information is presented in the text of the ACR.

Information regarding reasonable opportunities to further reduce the unit cost of USPS Marketing Mail Parcels, as described on page 46 of the FY 2019 ACD. This information is presented in the text of the ACR.

Information about quarterly IOCS control totals, plus information regarding the number of city carrier IOCS test on each delivery day for the weeks within a fiscal quarter, as described on pages 18-19 of Order No. 5697 (September 25, 2020), Docket No. RM2020-10. This information is presented in USPS-FY20-37.

### *Ad Hoc Directives Roadmap*

Over the years, the Commission has occasionally prescribed filing requirements for future ACRs in ACDs, or in various Orders in various dockets, without formally amending the Code of Federal Regulations to address those topics. In some instances, the directives continue to apply even beyond the first reporting year in which a response was required. With respect to such continuing *ad hoc* directives, in those instances in which the Postal Service views its possible failure to establish clarity as creating the potential for uncertainty or confusion, below are expressly listed certain of those requests, the contexts in which they were presented, and the location of the requested

information in the current ACR. Not surprisingly, these locations generally correspond to the location where the comparable information was provided in previous years.

Information regarding discounts for some Priority Mail Express International items at retail, as described on page 13 of Order No. 3622 (November 18, 2016). For the current ACR, this information is provided in USPS-FY20-NP9.

Information reporting separately the revenue, pieces, and weight of ECOMPRO pieces for each country, as described on page 7 of Order No. 4792 (August 23, 2018). For the current ACR, this information is provided in USPS-FY20-NP9.

Identification of each NSA product that had no mailpieces shipped under the contract during the reporting year. The request was stated on page 83 of the FY 2016 ACD (March 28, 2017). For the current ACR, this information is provided in USPS-FY20-NP27 (for domestic NSAs) and USPS-FY20-NP2 (for international NSAs).

Updated version of the Periodicals Pricing Report, as described on page 32 of the FY 2019 ACD. This information is presented in USPS-FY20-44.

## METHODOLOGY CHANGE DOCKETS INITIATED BY THE POSTAL SERVICE

The table below lists the proposals introduced by the Postal Service, in chronological order, to change analytic principles that have been filed or are still pending since the 2019 ACR was filed.

### **Listing of Petitions to Consider Changes to Analytical Principles Proposed by the Postal Service since 2019 ACR Filing**

PROP NO.	TOPIC	FILING DATE	DOCKET	NOT ORD NO	NOT DATE	RULING FIN ORD NO	FIN ORD DATE
One	Update and Improve the Calculation of Attributable Special Purpose Route Carrier Costs	6/21/19	RM2019-6	5133	6/25/19	Approved/ 5405	1/14/20
Seven	Change in Distribution Methodology for Certain Supervisor Costs on Sundays and Holidays	8/23/19	RM2019-12	5211	8/26/19	Approved/ 5395	1/6/20
Nine	Updated Facility Related Cost Methodology	10/31/19	RM2020-1	5291	11/4/19	Approved/ 5637	8/17/20
Ten	Update and Improve Postmaster Variabilities	11/29/19	RM2020-2	5336	12/4/19	Pending	
One	Change in RPW Methodology for Use of PC Postage Non-Contract Data to Replace ODIS-RPW Statistical Sampling Estimates <sup>1</sup>	2/28/20	RM2020-6	5445	3/3/20	Approved/ 5515	5/19/20
Two	Introducing a Methodology for Updating the City Carrier Regular Delivery Variabilities	4/7/20	RM2020-7	5478	4/9/20	Approved/ 5583	7/9/20
Three	Change the In-Office Sampling Methodology for City Carriers	6/11/20	RM2020-10	5548	6/15/20	Approved/ 5697	9/25/20
Four	Use of Foreign Postal Settlement System Outbound Data to Distribute Outbound Settlement Expenses in the ICRA	7/13/20	RM2020-11	5587	7/16/20	Approved/ 5693	9/23/20
Five	Change in RPW Methodology for Use of PC Postage Noncontract Data to Replace Sirvo Statistical Sampling Estimates <sup>2</sup>	8/5/20	RM2020-12	5622	8/7/20	Approved/ 5700	9/28/20

<sup>1</sup> Implemented for Q3 and Q4 reporting.

<sup>2</sup> Will be implemented in FY21.

Six	New Variability Methodology for Automated Flat and Letter Sorting Cost Pools	9/15/20	RM2020-13	5694	9/23/20	Pending	
Seven	Updating Transportation Variabilities to Account for Operational Changes	11/9/20	RM2021-1	5756	11/18/20	Pending	